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et techniques en économique

Integrated Analysis and Evaluation Report
OF THE ECONOMIC SPIN-OFFS OF THE ACTIVITIES OF THE


400th
Anniversary
of Quebec

Final Report
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Executive summary

The objective of the study is to provide an estimate of the economic and tourist spin-offs generated by Quebec City's 400th anniversary celebrations. This summary will briefly outline the study's main findings and results.

The study's methodology was developed by a technical committee coordinated by the Bureau de la Capitale-Nationale (national-capital office). The method selected was based on the one used by the Regroupement des événements majeurs internationaux (consortium of major international events, or RÉMI). All results concerning the economic spin-offs come from simulations using the Québec input-output model.

→ Expenditures that stimulated the economy

The calculation of economic expenditures is based on a measurement of the impact on the economy of an increase in demand caused by an injection of new money, i.e. money that would not otherwise have been spent in the region under study, i.e. the Quebec City census metropolitan area, or CMA, in the case of the 400th anniversary celebrations.

The 400th anniversary celebrations stimulated demand in three different ways. The Québec provincial and Canadian federal governments each provided \$70 million in funding for two major worksites (the Samuel-de-Champlain Promenade and Espace 400^e), as well as for restoring facilities at Bassin Brown, Pointe-à-Carcy, and Beauport Bay. At the same time, the two levels of government agreed to contribute \$40 million each to fund the Société du 400^e (400th anniversary corporation) whose mission was to plan and manage celebration activities. In addition, the Quebec City municipal government donated \$5 million and the private sector added more than \$5 million. Taking into account local revenues, a total of \$104 million was injected into the economy of the Quebec City CMA for the organization of the 400th anniversary celebrations, including \$85 million in new money. Lastly, the exceptional programming designed for the celebrations stimulated demand with respect to pleasure tourism, conventions, and other major events such as the Francophone Summit held in Quebec City for the occasion. An estimated \$392 million in tourist expenditures were generated by the 400th anniversary celebrations, including \$253 million in new money coming from visitors whose main reason for travelling was linked to the 400th anniversary activities, and \$139 million for those partially motivated to come for the events on the program.

→ Considerable economic spin-offs

The following table provides a synopsis of the economic spin-offs from expenditures of new money resulting from the holding of Quebec City's 400th anniversary celebrations and the infrastructures and gifts they generated.

Economic impact on production variables (\$M)

Production variables	Expenditures*	Jobs	Added value	GDP
Development and infrastructure	127.7	1,127	88.7	89.9
Société du 400 ^e	85	1,375	63.5	62.6
Tourism expenditures – main motivation	293	4,174	193.4	218.1
Sub-total	505.7	6,676	345.6	370.6
Tourism expenditures – secondary motivation	138.7	2,065	92.7	105.2
Total	644.4	8,741	438.3	475.8

* Excluding certain expenditures not funded by new money

Quebec City's 400th anniversary celebrations therefore generated \$438.3 million in economic spin-offs, including \$345.6 in direct spin-offs. Concerning the labour market, expenditures linked to the 400th anniversary celebrations served to create or maintain some 8,741 full-time equivalent jobs, including 6,676 directly linked to the 400th anniversary itself.

It is important to emphasize that the initial \$85 million investment of public money for the holding of the event generated 2.3 times more in added value in the region due to tourist expenditures (by those mainly motivated by the event) of \$193.4 million (\$193.4 million/\$85 million). If all the income and other taxes collected by the various levels of government are taken into account, this ratio climbs to 4.5, i.e. \$4.50 in added value generated by each dollar invested in the 400th anniversary celebrations.

The hotel industry is a sector that has particularly benefited from these economic spin-offs. The following table presents the number of room nights in commercial establishments generated by the 400th anniversary celebrations.

Room nights in commercial accommodations due to the 400th anniversary celebrations

	"Especially" or mainly motivated	"Partially" motivated*	TOTAL
Tourists	989,998	915,691	1,905,689
Centre des congrès de Québec (Quebec City convention centre, or CCQ)	92,469	29,919	122,388
Hotels and other facilities	13,554	4,827	18,381
Other events	84,203	1,329	85,532
	1,180,224	951,766	2,131,990

* 50% of room nights are taken into account for these tourists

Of the estimated 2.1 million room nights, 1.2 million would most probably not have been generated in 2008 had the 400th anniversary celebrations not taken place.

The following table presents the main sectors of economic activity (an AV increase of over 5%) affected by the growth in tourism demand.

Main sectors affected by tourism expenditures

	Jobs	AV (\$M)
Accommodation services	1,688	71.3
Restaurant services and beverage sales	1,323	32.5
Artistic performances and leisure activities	817	31.2
Retail and wholesale business	653	27
Urban-transit and taxi services	346	18.8

The accommodation sector leads the way, followed by the restaurant sector. The performing arts and leisure sectors come next, having done very well indeed, followed by the retail and wholesale business sector. Lastly, the urban-transit and taxi-service sectors have also benefited from an increase of over 5% in added value generated by tourist expenditures linked to the 400th anniversary celebrations.

→ A tourism success

The results analysis indicates that Quebec City's 400th anniversary celebrations were a tourism success, were given significant media coverage and were appreciated by both visitors and local residents of the Quebec City region.

The Office du tourisme de Québec (Quebec City tourist bureau, or OTQ) has described 2008 as the best tourist year in history, and Quebec City's 400th anniversary celebrations were clearly the driving force behind such a success.

A number of indicators demonstrate the "400th anniversary effect":

Several impressive results and records emerge from a compilation carried out by the OTQ, including the following:

- an increase of 4.9 percentage points in the occupancy rate (compared to 2007), along with a 9.1% upsurge in the average number of rooms occupied on a daily basis;
- the largest number of rooms ever rented in the course of a given year (an increase of 9.5%);
- the largest number of conventions and other events ever recorded for a given year (nearly 544 conventions and events, an increase of 44.3% compared to 2007);
- the highest volume of requests for tourist information since 2002 (over the counter, by telephone, regular mail and on line), an increase of 21.1% over 2007;
- the highest tourist-activity index ever obtained in a given year, up 5.7% over 2007;

- the highest commercial-activity index ever obtained in a given year in the stores of Old Quebec City, up 11.3% over 2007; and
- the highest restaurant-activity index ever obtained in a given year, up 1.6% over 2007.

Thanks to the success of Quebec City's 400th anniversary celebrations, the city has been better able to position itself on the international market, thus helping to raise its profile as a tourist destination. The OTQ and the entire regional tourist industry joined forces to this end. In addition, it may be said that although 2008 was a difficult year for tourism in Canada, Quebec City's 400th anniversary gave a new look to the destination and made it even more attractive for potential tourists.

For purposes of comparison with other Canadian cities, the OTQ uses facts and figures provided by the HVS company, and the data clearly shows that Quebec City passed the 2008 test with flying colours. In fact, in 2008 there was a 10.5% increase in the number of rooms rented in top-of-the-line hotels compared to 2007. This is in sharp contrast to the mediocre results observed in other metropolitan regions across Quebec and in the rest of Canada. For instance, in the province of Quebec there was a 2% decrease in the number of rooms rented in 2008.

→ Significant outside media coverage

Over the last several years, approximately 500 journalists have covered the Quebec City region on an annual basis. In 2008, over 700 journalists flocked to the region, a considerable increase. According to an OTQ analysis, the media value of articles published up until now has reached \$12 million, an increase of \$5 million over the typical average.

→ A high level of satisfaction

At the conclusion of the 400th anniversary celebrations, Léger Marketing measured the level of satisfaction of the region's residents with respect to the event. In a survey conducted between November 12 and November 16, 2008, 300 adult citizens of the Quebec City region (the Quebec City CMA) expressed a high level of general satisfaction with regards to Quebec City's 400th anniversary celebrations. In fact, the respondents surveyed gave the festivities a grade of 8.5 out of 10, with fully half of them giving a rating of 9 or higher.

1 Study context and mandate

In 2008, Quebec City celebrated the 400th anniversary of its founding. The Canadian federal and Québec provincial governments, along with the Quebec City municipal government, provided some \$85 million for the programming of celebration activities, including \$22 million earmarked for partner organizations. The private sector also contributed some \$5 million. In addition, the governments of Quebec and Canada invested approximately \$70 million each to develop and upgrade the shores of the St. Lawrence River, from Beauport to Sainte-Foy. These expenditures of public funds made it possible to celebrate the 400th anniversary of Quebec City's founding in a festive atmosphere within the enchanting confines of the city and also had a number of beneficial spin-offs for the Quebec City region.

The objective of the study as mandated is to carry out a comprehensive analysis of the economic spin-offs generated by the organizational and investment expenditures linked to Quebec City's 400th anniversary celebrations. The economic spin-offs will be estimated using an input-output model provided by the Institut de la statistique du Québec (Quebec institute of statistics, or ISQ). The mandate also includes an assessment of the "qualitative" impact of the 400th, especially based on data concerning visitor satisfaction and the profile of tourists and participants, and/or by referring to all other information available to the public.

B.E.S.T.E. – DMS, a joint venture resulting from a temporary pooling of the resources of the Bureau d'études stratégiques et techniques en économiques (office of strategic and technical studies in economics, or B.E.S.T.E.) and Desjardins Marketing Stratégique (Desjardins strategic marketing, or DMS), was designated to play the role of integrator for the study. B.E.S.T.E. was in charge of calculating the economic spin-offs, and DMS of analyzing the impact of the 400th anniversary on the tourist experience and product in the Quebec City region.

The study has been carried out under the auspices of a steering committee and a technical committee comprising a number of 400th anniversary partners, including the Department of Canadian Heritage, Canada Economic Development, Quebec's ministries of tourism and international relations, the Institut de la Statistique du Québec (Québec institute of statistics, or ISQ), Quebec City's municipal government, the Office du tourisme de Québec (Quebec City tourist bureau, or OTQ), the Société du 400^e (the 400th anniversary corporation), and the Bureau de la Capitale Nationale (national-capital office, or BCN), which has served as the coordinating body.

2 Introduction and methodology

A general presentation of the report's content as well as a description of the methodological principles of the economic-impact studies in the area of tourism will be provided in the pages that follow.

2.1 Introduction

The various sources of economic impact have been grouped into five categories for purposes of calculating the economic spin-offs of the 400th anniversary. These sources are visitors' expenditures; convention delegates; special events; spending linked to infrastructures and bequests; and expenditures earmarked for the organization of the 400th anniversary celebrations. One chapter is dedicated to assessing and analyzing the expenditures linked to each of these sources. Lastly, a final chapter focuses on consolidating results and on a comprehensive analysis of the impact of Quebec City's 400th anniversary celebrations.

2.2 Comprehensive methodological approach

The shared objective of all economic studies is to measure the impact upon the economy of increased expenditures funded by "new" money, i.e. money that would not have been injected into the region under study had a given event not been held or without the existence of a certain facility (the Centre des Congrès de Québec (the Quebec City convention centre), for example). The 400th anniversary celebrations are no exception to this rule. In fact, these festivities stand out for the number and scope of events and investments having contributed to the creation of wealth within the economy of the Quebec City region.

For purposes of this study, the Quebec City region is defined as the Quebec City census metropolitan area (CMA).¹ Only the impacts resulting from expenditures in the Quebec City CMA and elsewhere in Quebec have been taken into consideration when calculating the economic spin-offs.

2.2.1 Measuring net social gain

Any expenditure in an economy will generate economic activity. As a matter of fact, studies of spin-offs or economic impacts are not intended to measure all the economic activity that necessarily accompanies expenditures linked to events and/or investments. The economic-impact studies carried out with the help of the input-output model are designed to assess and characterize the scope of the contribution to wealth creation in an economy of events and/or investments. Under certain conditions, the results of these input-output simulations may be applied to other regions as well.²

¹ A map of the CMA is available on line at http://www.mamrot.gouv.qc.ca/publications/cartotheque/atlas_AR_RMR.pdf.

² Concerning the Quebec City region, the results may easily be applied to the region based on relatively non-restrictive hypotheses as regards impacts on tourism and construction. See Camille Courchesne and Gilbert Martin: http://www.uqtr.ca/scereg/T_CourcheneMartin.pdf.

New money

In order to accurately appraise the contribution to wealth creation, it is necessary to measure what the events or investments add to the regional economy, i.e. *new money*, while making sure to leave aside the sub activities depending on local trade, if applicable. For instance, in an economic-impact study of the restaurant sector, special care must be taken to distinguish spending by tourists (new money) from spending by the local clientele, made up of people who have to eat in the region where they live in any case. Only tourist expenditures should be used to calculate economic spin-offs.

Expenditures resulting from public funding

In the case of public expenditures or expenditures resulting from public funding, the contribution to wealth creation is measured in a distinct manner. Here again, it is necessary to distinguish new money from money that would have been spent in the region in any case. For instance, the contribution of the Quebec City municipal government to the operations of the Société du 400^e would not be considered as new money contributing to the collective enrichment of the region. The economic reasoning here is as follows: From the perspective of a Quebec City taxpayer, if his or her personal income is not taxed in order to fund the 400th anniversary festivities, then the individual in question is free to spend the money thus saved for other purposes, in this way generating economic activity (assumed to be equivalent) in the sector where the money will be spent. The net gain would be zero, or at least very little. In order to calculate the expenditures admissible for calculating economic spin-offs, these expenditures must be reduced in proportion to the value of the contribution made by the Quebec City's municipal government; otherwise all expenditures clearly funded by the latter must be left out of the equation.

Concerning publicly-funded expenditures, it is also necessary to distinguish money added to the economy of the Quebec City region from what would have been funded in any case by the regular grant programs of the Québec provincial and Canadian federal governments. This distinction is more difficult to establish in the case of expenditures funded by the Quebec City municipal government; however, in order to respect the principles of scientific rigour, the exercise should still be carried out. Concerning the provincial and federal governments, this involves analyzing the selection criteria for grant programs and interviewing both the beneficiaries and those in charge. The correction of admissible expenditures should be carried out in the same manner as for expenditures funded by the Quebec City municipal government, if applicable.

Visitors' expenditures

Visitors' expenditures include spending by both tourists and same-day visitors. Statistically speaking, a tourist is somebody who has made a trip lasting at least one night, but less than one year, outside his or her own city and who has used commercial or private accommodations. Same-day visitors are those individuals who participated in a given event as part of a one-day return trip outside their usual place of residence, which is

located over 40 kilometres from where the event has been held. These definitions are used in economic-impact studies as criteria for identifying new money coming from visitors. However, in order for expenditures to be credited to an activity or event, the primary or secondary reason for the tourist's trip must be to participate in the activity or event. A visitor whose trip has been motivated by the event is described as a "motivated" visitor.

The reason for travelling is very important when it comes to calculating the economic spin-offs. In fact, when a tourist claims that his or her participation in a given event was the main reason for the trip, all of this person's admissible travel expenditures³ will be used to calculate the economic impacts of the event in question. This practice is explained by the fact that if somebody comes from France specifically to celebrate Quebec City's 400th anniversary due to the wide range of activities being offered, it is reasonable to suppose that, were it not for this event, the tourist in question would have chosen a very different destination (the Olympic Games in China, for example), in this way not only depriving Quebec City of the economic spin-offs resulting from his or her expenditures, but also Montreal and the Charlevoix region if our tourist had travelled to these destinations as well.

When an event partially motivates the travel of a given tourist, only part of his or her spending is taken into account when calculating economic impacts. The attributable percentage ranges between zero and the fraction of the travel expenditures of the partially motivated tourist that would not have been spent had the event not taken place. For the purposes of this study, the steering committee established the percentage as 50% of expenditures for partially motivated tourists, in accordance with OTQ practices.

The economic spin-offs⁴ have been estimated using the input-output model of the Institut de la statistique du Québec (ISQ) described below.

2.2.2 The Québec input-output model

The Québec input-output model is a linear programming model⁵ that reconstitutes exchanges in the Québec economy in matrix form in an aggregated whole comprising approximately 200 productive sectors and 600 goods and services. Like any model, it is a simplification of reality. Using the model, it is possible to assess the impact upon a number of economic parameters, as well as the impact of an increase in expenditures resulting from an exogenous shock⁶ on final demand or on the various productive sectors. Knowing the economic impact, it is possible to assess the social (economic) returns on investments whose yields are not easily assessed in financial terms, especially when they

³ The main admissible expenditures are those linked to accommodations, restaurant spending, souvenir purchases, and local and regional travel expenses, among others.

⁴ The expressions "economic spin-offs" and "economic impacts" are entirely synonymous.

⁵ This is a system of first-degree mathematical equations organized in 200 lines and 600 columns, in the form of a matrix.

⁶ The expenditures of visitors attending the show featuring Sir Paul McCartney, for example.

are not oriented toward accounting profit, as in the case of the organizing committee of Quebec City's 400th anniversary celebrations.

More specifically, the ISQ input-output model synthetically reproduces the exchanges between various production agents of the Québec economy accompanying an increase in final demand and resulting from the injection of "new" money into the economy of the region under study, in this case the Quebec City CMA. With the information provided by the input-output model, it is possible to monitor the spread of demand and calculate the successive effects of activities generated by that demand. As such, using the model we can assess the initial economic impact (the direct effect) of the expenditures on a given sector, on the hotel sector for example. Next the model calculates the impact of the demand of a given hotel on its own suppliers (the indirect effect), on the food sector for example. Then the model calculates the indirect effect of the food sector on agriculture, and so forth. The total economic impact is the sum of the direct and indirect effects.

Using the results of the simulations, it is possible to qualify and quantify the impacts on a number of economic sectors, including

- the labour market, i.e. the number of jobs maintained or created;
- the remuneration of production factors, especially company profits and salaries;
- imports;
- indirect taxes; and
- taxation and incidental taxation (CSST (Québec workplace health and safety commission), QPP (Québec Pension Plan), employment insurance, etc.) by the Canadian federal and Québec provincial governments.

The calculation of economic spin-offs is therefore essentially based on an estimate of how much new money has been spent in the Quebec economy. The bases for calculating the estimate of new money are presented in the chapters that follow.

3 Profile of visitors other than convention delegates and an estimate of their expenditures

In 2008, Quebec City celebrated the 400th anniversary of its founding by offering its residents a vast program of festive activities and impressive shows throughout the entire calendar year. In fact, the broad scope of the celebrations made any assessment of the individual impact of each of the activities unthinkable. Hence the steering committee opted for an approach that would take into account the entire program of the 400th anniversary celebrations, following the example of major festivals such as the Quebec City summer festival and the Montréal jazz festival. The committee therefore developed a methodology in line with this approach.

For the purpose of learning the number and profile of the visitors having participated in the 400th anniversary festivities, the steering committee commissioned two surveys and also decided to conduct a separate impact assessment of convention delegates as well as of certain major events on the program, such as the International Eucharist Congress.

3.1 Visitors' expenditures

From December 31, 2007 to March 31, 2008

The first survey⁷ covered the period from December 31, 2007 (inaugural show) to March 31, 2008. The Léger Marketing company was mandated to question residents of the Quebec City region. More specifically, the objectives of the study were as follows:

- to learn how many residents (adults and young people) from the Quebec City region took part in activities celebrating Quebec City's 400th anniversary celebrations between December 31, 2007 and March 31, 2008 ; and
- to learn how many visiting friends and relatives (VFR), especially or partially motivated to come to Quebec City for the 400th anniversary celebrations from outside the Quebec City region (40 km), stayed with area residents between December 31, 2007 and March 31, 2008, and to find out where they came from and how long they stayed.

This omnibus survey was conducted on line among 400 residents of the Quebec City region aged 18 years and over. The sample was selected using Léger Marketing's on-line panel, and the survey was carried out from April 2 to 6, 2008.

The data were weighted by gender, age, level of education, and region so as to accurately reflect the population mix of the Quebec City region, as indicated in the latest information provided by Statistics Canada.

⁷ Léger Marketing. Quebec City's 400th anniversary celebrations, influx from January to March 2008. File 70779-001.

Léger Marketing measured the link between the number of VFR, the number of tourists and the number of visitors in the second survey covering the April to October 2008 period. By assuming that the average link characterizing the April to October 2008 period was representative of the period extending from December 31, 2007 to March 31, 2008, B.E.S.T.E. was able to estimate the number of visitors having participated in the 400th anniversary activities during the first quarter of the year. Based on the hypothesis that these visitors' origins and motivations for travelling were directly proportionate to those measured on average in the second survey, it was possible to estimate the origins and motivations for travelling for first-quarter visitors. Lastly, the figures were adjusted to take into account south-shore households (which had not been surveyed) and to cover the entire Quebec City CMA. The table below presents a synopsis of these compilations.

Estimate of visitors (excluding convention delegates) from December 31, 2007 to March 31, 2008

	Quebec City	Outside Quebec City	Total
Visitors – especially motivated	9,999	5,333	15,332
Visitors – partially motivated	17,462	9,315	26,777
Total	27,461	14,648	42,109

The survey did not include an estimate of visitors' expenditures. It is however reasonable to suppose that their expenditure profile would resemble that of visitors who participated in 400th anniversary activities from April to October 2008. In order to calculate the total tourist expenditures, the first-quarter influx thus compiled was added to that measured in the second survey described below.

From April 1 to October 31, 2008

The second survey⁸ was more exhaustive than the first, both as regards its questionnaire and its length. It covered an eight-month period comprising the essential elements of the 400th anniversary program and included two segments. In the first, pollsters intercepted 15,452 participants on the sites hosting most of the 400th anniversary activities, making sure to exclude the locations of certain events targeted for a separate economic-impact estimate, such as the International Eucharist Congress, so as to avoid taking them into account twice. The distribution of the interceptions of participants was in direct proportion to the intensity of the monthly program, with a spike in July and August. In this way, some 3,763 visitors were recruited to participate in the survey. They answered a few questions on the spot and gave their name, address and phone number, etc. to the pollsters for a possible call-back after their trip. All of these visitors were indeed recontacted; as such, 1,946 questionnaires were completed by telephone and on line. The 53% participation rate gives the survey a maximum margin of error of 2.2%, 19 times out of 20.

⁸ Léger Marketing. Study of tourist expenditures and participation during Quebec City's 400th anniversary celebrations. December 2008.

The second segment was conducted entirely on line. It targeted a local clientele, i.e. residents of the Quebec City CMA. This part of the survey was designed to measure, among other elements, citizen satisfaction with the 400th anniversary festivities, along with how many of them participated and at what rate. Using these data, combined with the information from the first section, it was possible, through weighting and extrapolation, to estimate the overall participation of both visitors and local residents as well as the total amount of money the visitors spent.

Summary of the main results of the Léger Marketing study of participation in the 400th anniversary festivities

PROPORTION OF MOTIVATED VISITORS

"The proportion of motivated visitors" is an important notion: it refers to the percentage of visitors coming from over 40 kilometres away from the Quebec City region (including both same-day visitors and tourists) who claim to have come to Quebec City "*especially*" or "*partially*" for the 400th anniversary festivities. This proportion in a sense measures the attraction effect of the event upon outside visitors. On the opposite end of the spectrum, non-motivated visitors are people for whom the holding of the 400th anniversary festivities had no influence with respect to their decision to come to Quebec City (for instance they may have visited Quebec City for medical, school-related, or other reasons).

Concerning visitors only (i.e. excluding local participants), the percentage of motivated visitors is 71%, as indicated in the table below:

	Visitors only (excluding local participants)			
	"Especially" motivated visitors	"Partially" motivated visitors	Non- motivated visitors	TOTAL
Total	436,507	807,488	508,231	1,752,226
% of the whole	24.9%	46.1%	29%	100%
	71%			

"Study of tourist expenditures and participation during Quebec City's 400th anniversary celebrations." Final report. Léger Marketing. February 2009. Graphical synthesis, p. 12, and B.E.S.T.E. estimate based on the first Léger Marketing survey.

Since Quebec City's 400th anniversary constitutes a one-time event that took place over a long period and included a number of activities, it is difficult to compare it with other events previously held in Quebec City. Be that as it may, the percentage of motivated visitors coming to the 400th anniversary celebrations (71% of all outside visitors) is clearly high. The holding of Quebec City's 400th anniversary celebrations has therefore proven to be an element of attraction for outside visitors.

According to estimates provided in the Léger Marketing study,⁹ 2,299,871 different individuals¹⁰ participated in the 400th anniversary celebrations. Including the January-to-March influx, as previously estimated, a grand total of 2,417,191 different individuals participated, as indicated in the table below:

Interview month	Estimated number of participants in the 400 th anniversary activities (different individual participants)				
	Maximum number of local participants per month	"Especially" motivated visitors	"Partially" motivated visitors	Non-motivated visitors	TOTAL NUMBER OF DIFFERENT PARTICIPANTS PER MONTH
January to March	471,809	15,332	26,777	166,368	680,286
April	221,655	3,358	67,168	43,659	335,840
May	221,655	7,514	93,922	52,596	375,687
June	474,975	33,927	122,136	47,498	678,536
July	538,305	197,745	263,660	98,872	1,098,582
August	538,305	87,079	102,911	63,330	791,625
September	443,310	46,316	99,249	72,782	661,657
October	316,650	45,236	31,665	54,283	447,834

Total number of different participants for the period	664,965	436,507	807,488	508,231	2,417,191
% of the whole	28%	18%	33%	21%	100%

⁹ "Study of tourist expenditures and participation during Quebec City's 400th anniversary celebrations." Final report. Léger Marketing. January 2009. P. 51, as well as the B.E.S.T.E. estimate of the January-to-March influx.

Based on the hypothesis that the characteristics of the January-to-March participants were identical to those who participated from April to October, the survey results break down as follows:

- ▶ An estimated 2,417,191 different people attended or participated in Quebec City's 400th anniversary festivities, from January to October 2008. These participants included
 - ▶ 664,965 local participants (from ~40 km away) (28%)
 - ▶ 436,507 "especially" motivated visitors (18%)
 - ▶ 807,488 "partially" motivated visitors (33%)
 - ▶ 508,231 non-motivated visitors (21%)

⁹ "Study of tourist expenditures and participation during Quebec City's 400th anniversary celebrations." Final report. Léger Marketing. January 2009.

¹⁰ This number corresponds to the number of different people coming to Quebec City at least once and does not take into account the total number of visits by these same people (person-visits). Since this figure refers to different individual visitors, it may be risky to compare these data with other official tourist-influx data, such as information provided by Statistics Canada, for example, which focuses on "person-visits" corresponding to multiple trips by the same people.

- ▶ The local participation rate with respect to Quebec City's 400th anniversary festivities has been estimated at 93% of all residents of the Quebec City CMA.
- ▶ The participation rate for motivated visitors as regards festivities linked to Quebec City's 400th anniversary has been estimated at 82%, including 16% who participated in order to "take in the atmosphere."¹¹ Motivated visitors participated in 2.7 activities on average, and the highest participation rate as regards 400th anniversary activities for motivated visitors was observed in July and August (approximately 3.5 events or activities on average).
- ▶ At the conclusion of the 400th anniversary activities, satisfaction rates were high.
 - ▶ Among local participants, satisfaction rates went through a number of changes. In fact, Léger Marketing points out that at the beginning of the year participants gave an average grade of 5.4 out of 10 for the January-to-March 2008 period (6.2 in January, 4.9 in February, and 4.5 in March).¹² The satisfaction level then increased to 7.2 out of 10 for the April-to-October period. Another survey conducted in mid-November 2008 by Léger Marketing¹³ among local residents indicates that the satisfaction level increased to 8.5 out of 10, indicating a high satisfaction rate at the conclusion of the event.
 - ▶ The overall satisfaction rate for motivated visitors: an average of 8.2 out of 10. The satisfaction level progressively increased over the months.

Satisfaction level of motivated visitors surveyed (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary celebrations)	
Month	Average satisfaction level (scale of 0 to 10)
April	7.5 over 10
May	7.7 over 10
June	8.2 over 10
July	8.3 over 10
August	8.3 over 10
September	8.2 over 10
October	8.6 over 10
Overall average	8.2 over 10

¹¹ The 2% difference can be explained by "no answers" and by a rounding off of the whole.

¹² Léger Marketing, "Quebec City's 400th anniversary celebrations, visitor influx from January to March 2008," April 2008. Among local residents.

¹³ Léger Marketing, omnibus survey conducted among 300 adults from the Quebec City CMA, from November 12 to 16, 2008.

► The origins of the motivated visitors studied break down as follows:

Origin	Origins of motivated visitors surveyed (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary celebrations)
	%
Province of Québec (excluding local participants)	65%
Elsewhere in Canada	14%
United States	8%
France	6%
Elsewhere in Europe	3%
Other countries	4%

The percentage of motivated visitors from the United States, as seen above, reflects a decline in the number of Americans visiting Canada that has been noted over the last several years. Visitors from outside Canada make up a little more than one visitor in five (21%). Americans, for their part, constitute 8% of all motivated visitors, with French people representing 6% of all visitors.

The highest number of motivated visitors from Québec came during July, August and October (71%, 77% and 70% respectively, compared to 65% for the entire period under study).

► The age of motivated visitors surveyed breaks down as follows:

Age group	Age group (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary activities)
	%
16 to 24 years old	6%
25 to 34 years old	14%
35 to 44 years old	15%
45 to 54 years old	25%
55 to 64 years old	24%
65 years and over	15%

Fifteen percent (15%) of motivated visitors are same-day visitors (people who made a same-day return trip, and thus did not sleep in Quebec City during their visit). The others (83%) spent at least one night in the region.¹⁴

Number of nights spent in the Quebec City region (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary celebrations)	
Number of nights in the Quebec City region	%
No nights (same-day visitors)	15%
1 night	14%
2 nights	21%
3 nights	18%
4 or 5 nights	14%
6 nights or more	16%
Not wishing/refusing to answer	1%
Average	3.6 nights

On average, motivated visitors spent 3.6 nights in the Quebec City region (including "0 nights" for same-day visitors who did not sleep in Quebec City). If same-day visitors are excluded, the average number of nights spent in the region by motivated visitors rises to 4.2 nights. As a point of reference, data provided by the OTQ demonstrates that tourists normally spend an average of 2.7 nights in the region. The average of 4.2 nights therefore reflects a significant increase of approximately 1.5 room nights.

- Nearly two thirds (63%) of motivated visitors having spent at least one night in the region (i.e. among the group representing 83% of all motivated visitors) slept in commercial accommodations, such as a hotel, motel or inn.

Type of accommodation (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary celebrations who spent at least one night in the Quebec City region)	
Type of accommodation	%
Commercial accommodation	63%
With family or friends	30%
Both	7%

- The vast majority of visitors (95%) were accompanied by at least one person on the day when they were met on the various 400th anniversary sites (5% were alone). One quarter (25%) of the motivated visitors were accompanied by at least one child.

¹⁴ The remaining 2% can be explained by the rounding off of data as well as by the number of people who did not wish to reply to this question.

- Slightly fewer than half (42%) of motivated visitors who were asked to provide the main reason for their trip to the Quebec City region claim that they made the trip mainly to attend or participate in events or activities celebrating Quebec City's 400th anniversary. In addition, one motivated tourist in five (20%) came to discover Quebec City.

Main reason for travelling (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary celebrations)	
Main reason for travelling (only one possible reason)	%
Attend or participate in Quebec City's 400 th anniversary celebrations	42%
Discover Quebec City	20%
Attend a show, an event or a special activity	15%
Visit family or friends	12%
Attend a convention or symposium, or for business	5%
Participate in sporting or outdoor activities	2%
Vacation, leisure or relaxation	2%
Shop, make purchases	1%
Other reason	1%

- Nearly half of the motivated visitors (48%) had heard about the 400th anniversary by way of media advertising and 29% from a media report.

Sources of information before arriving in the Quebec City region (visitors coming <u>especially</u> or <u>partially</u> for Quebec City's 400 th anniversary celebrations)	
Sources of information (two possible sources)	%
Media advertising	48%
A media report	29%
An acquaintance	21%
Already knew the region	19%
Internet	18%
A folder or brochure	10%
Newspaper(s)	2%
Other(s)	7%
Not wishing/refusing to answer	1%

Since respondents were allowed to indicate two sources, the total exceeds 100%.

- The estimated tourist expenditures¹⁵ generated by motivated visitors break down as follows:

Estimated visitor expenditures (excluding conventions) from December 31, 2007 to October 31, 2008

	Québec	Outside Québec	Total
Visitors (especially motivated)	\$128,492,747	\$74,196,306	\$202,689,053
Visitors (partially motivated)*	\$48,230,426	\$77,028,031	\$125,258,457
Total	\$176,723,173	\$151,224,337	\$327,947,510

*expenditures weighted at 50%

Source: Léger Marketing

Calculations 1st quarter 2008: B.E.S.T.E.

3.2 Pleasure tourism in Quebec City and the 400th anniversary celebrations

3.2.1 Tourist influx

The following table presents the predicted tourist influx for the Quebec City region in 2008.¹⁶

Predicted tourist influx for the Quebec City region (in thousands of tourists – excluding same-day visitors)

Origin	Predicted tourist influx for the Quebec City region in 2008 ¹⁷		
	Number of <u>person-visits</u> ¹⁸		
	(x 1,000)		
	2006 (real)	2007 (real)	Predictions 2008 (estimated)
Canada	3,298	3,348	3,631
United States	643	650	592
Other countries	436	484	474
TOTAL	4,377	4,482	4,697

In order to estimate the regional influx for 2008, in the absence of official data that will not be available until the beginning of 2010, the OTQ applied the predicted influx of 4.8% put forth by the Conference Board of Canada in September 2008, i.e. 4.8% over and above the real influx of 2007. This exercise brought the estimated total number of

¹⁵ NB: "Tourist expenditures" are not the same as economic "spin-offs."

¹⁶ The reader will note that the data presented here pertain to the Quebec City tourist region including Quebec City and delimited by Portneuf, Côte-de-Beaupré, Île d'Orléans and the Jacques-Cartier River, as opposed to the census metropolitan area that includes a part of the south-shore area of greater Quebec City.

¹⁷ Office du tourisme de Québec (Quebec City tourist bureau, or OTQ) update of the "2009 Marketing Development Plan" based on data from the Conference Board of Canada. Original sources of the table: Statistics Canada, and the Conference Board of Canada.

¹⁸ Person-visits : number of visits by individuals having visited a given place.

tourists coming to Quebec City in 2008 to 4.7 million person-visits, with slightly fewer than 80% estimated as coming from Canada (3.631 million). Tourists from the United States represent an estimated 592,000 person-visits, with approximately 474,000 coming from other countries. Conference Board estimates take the holding of the 400th anniversary celebrations into account as part of their predictions.

Nevertheless, data concerning commercial accommodations and information gathered by the OTQ leave the impression that 4.8 million person-visits would be the more accurate figure as regards the number of tourists coming to Quebec City in 2008 (as opposed to 4.697 million).

It should be noted that an increase of nearly 200,000 person-visits (potentially 300,000) between 2007 and 2008 (from 4,482,000 to 4,697,000) is a considerable one for the regional tourist industry, especially given that results were in the main negative for Canadian destinations in 2008.

3.2.2 Hotel statistics

Hotel statistics for the Quebec City region show that both the number of occupied rooms and the average price per room increased in a comparable manner between 2007 and 2008.

Hotel statistics – Quebec City tourist region¹⁹ – Cumulative Average

Cumulative average	2006	2007	2008
Number of rooms available daily, on average	11,888	11,955	12,012
Number of rooms occupied daily, on average	6,573	6,684	7,295
Occupancy rate	55.3%	55.9%	60.8%
Average price	\$118.10	\$121.91	\$132.62

In 2008, the number of rooms occupied daily, on average, has been determined to be 7,295, compared to 6,684 for the previous year. Moreover, while the number of available rooms remained relatively stable from 2007 to 2008 (11,955 in 2007 as compared to 12,012 in 2008), the cumulative average-occupation rate increased by 4.9%, from 55.9% in 2007 to 60.8% in 2008. During the same period, the average price of a room rose from \$121.91 to \$132.62, an increase of \$10.71.

The number of occupied rooms (daily average) was highest in July and August (9,684 and 10,585 respectively). Moreover, it will be noted that the average cost of a room increased by \$17.10 for July (July 2007, \$137.60, compared to July 2008, \$154.70), and

¹⁹ Cumulative data from January to December for 2006, 2007 and 2008. Source: Office du tourisme de Québec, and ÉCHOTourisme STATistique (ÉCHOSTAT), 2008 report, p. 10. Based on data from the Institut de la statistique du Québec. Commercial accommodation establishments with four or more rooms.

for August this increase was \$16.70 (August 2007, \$142.30, compared to August 2008, \$159.00).²⁰

Moreover, as a point of information, the average number of rented units occupied daily in the Chaudière-Appalaches region (part of which is included in the Quebec City CMA) increased by 18.9% between 2007 (884) and 2008 (1,051). It seems reasonable to hypothesize that part of this increase could be attributed to the 400th anniversary effect.

For its part, the following table presents the hotel-performance index,²¹ referring to changes in the number of rooms rented (cumulative average). For purposes of comparison, the results from 2002 have been established as the index base of 100. It will be observed that there was a 13.4% increase from 2002 (the reference year) to 2008. Comparing the index variations for the previous years, it can be seen that 2008 was a very good year for the hotel business.

Hotel-performance index – changes in the number of rooms rented

Year	Index (2002 = 100)
2002	100
2003	95.6
2004	100.7
2005	101.9
2006	101.9
2007	103.6
2008	113.4

Comparison with other Canadian cities

For purposes of comparison with other Canadian cities, the OTQ uses data provided by the HVS company. The figures in the table below clearly demonstrate that Quebec City fared quite well in 2008. In fact, the number of rooms rented in top-of-the-line²² hotels increased by 10.5% in 2008 compared to 2007. This increase is very different from the results observed in Canada's main metropolitan regions, as well as from the average in the province of Quebec where the number of rooms rented declined by 2%, even when the positive results registered by Quebec City were taken into account.

²⁰ Office du tourisme de Québec, and ÉCHOtourisme STATistique, 2008 report, p. 10.

²¹ Office du tourisme de Québec. "Tourist influx and activity indicators, 2002-2008 summary."

ÉCHOtourisme STATistique, 2008 report. Referring to this index, with its base of 100 (for the year 2002), it is possible to describe changing patterns of room occupancy.

²² These data refer only to top-of-the-line hotels and are presented for purposes of information only.

Rooms rented in Canadian cities – top-of-the-line hotels

Metropolitan regions	Percentage variations In 2008 compared to 2007
Quebec City	10.5%
Montréal	-2.2%
Ottawa	1%
Toronto	.2%
Calgary	-3%
Edmonton	1.6%
Vancouver	-1.4%
Québec (province)	-2%
Canada	-2%

Source: Office du tourisme de Québec.

4 Business tourism – conventions

Business tourism is an important component of the Quebec City region's tourist economy. Historically speaking, it represents between 12% and 20% of all tourist expenditures. Most of this tourism revolves around conventions, trade fairs, exhibitions, and other such events. The most important conventions in the region are held at the Centre des congrès de Québec (Quebec City convention centre, or CCQ). The others use facilities offered by the city's large hotels, as well as the Centre de foires de Québec (Quebec City exhibition centre).

The most recent data provided by the OTQ, comparing 2007 and 2008, reveal a significant increase in the number of conventions held in the region.²³

	2007	2008	Variation 2007/2008
Number of conventions	343	489	+146
Number of delegates	97,554	153,831	+56,277
Number of room nights	156,994	301,682	+144,688

An analysis of this table clearly indicates a significant increase in the number of conventions (+146), the number of delegates (+56,277) and the number of room nights (+144,688).

Convention organizers choose Quebec City to hold their events for reasons that are very similar to those of pleasure visitors. In the following section an attempt is also made to identify the batch of convention delegates who come to the Quebec City region every year over and above the annual influx of business visitors.

4.1 Conventions at the CCQ

Every year the Société du centre des congrès de Québec (Quebec City convention-centre corporation, or SCCQ) produces an economic-impact study concerning convention-delegate spending and their own operating activities. The detailed methodology used to calculate the impacts of convention delegates coming to the CCQ may be summarized as follows: The SCCQ carries out an initial selection of conventions held during the year under study in order to eliminate those events whose participants mainly come from the region, such as various exhibitions and fairs, for example. Next the SCCQ surveys the selected convention organizers in order to characterize their participants. The estimated daily expenditures of participants and organizers come from a study carried out by the IACVB company a few years ago. With this information, all that remains is to cross-

²³ Source: Office du tourisme de Québec, Échostat, p. 14. Data concerning conferences with 50 or more participants. These statistics are compiled using data provided on a voluntary basis. They are presented for information purposes only and therefore may not be representative of all conferences held in the Quebec City region.

reference the participants' origins and lengths of stay and the daily-expenditures vectors of the convention delegates in order to calculate the latter's expenditures. Lastly, the estimated admissible expenditures used to calculate the economic spin-offs of the SCCQ were based on interim financial statements.

4.1.1 Conventions held at the CCQ due to the 400th anniversary celebrations

The SCCQ sales and marketing administration drew up a list of 27 non-recurring conventions and events that may have been held in Quebec City because of the 400th anniversary festivities. In order to put the number of conventions on the list in perspective, it is useful to know that slightly more than 55 conventions are held at the CCQ every year. In 2008, 72 conventions were held there, including 10 international conventions.

Two events were removed from the initial SCCQ list since they were conventions held at hotels, and another was removed because it had been cancelled, bringing the final number down to 24.

Every year, the SCCQ conducts a post-event validation survey for each convention, and it used this survey to validate the real influence of the 400th anniversary celebrations. In addition to the usual survey questions, the consultant in charge requested that two open questions be included:

- a) *To what extent did the holding of Quebec City's 400th anniversary celebrations influence the final decision to come to Quebec City? Would you say that the event influenced your decision a great deal, partially influenced it, or didn't influence it at all?*
- b) *Was your event moved ahead or delayed so that it could be held in 2008? (In other words, would you have held it in Quebec City another year in any case or did you choose your date to coincide with the 400th anniversary festivities?)*

As a result of the survey, 9 events were identified as having been mainly (greatly) motivated by the holding of the 400th anniversary celebrations, along with 12 that were partially motivated by the event, with 3 being eliminated from the list.

4.1.2 Number of events held at the CCQ due to the 400th anniversary celebrations

Conventions mainly motivated by the 400th anniversary celebrations generated 92,469 room nights, while those partially motivated added another 59,838 room nights, for a total of 152,307 room night, according to CCQ calculations.

4.1.3 Calculating expenditures of convention delegates and organizers – CCQ

Based on the same method used to calculate the visitors' tourist expenditures, the expenditures of "mainly motivated" convention delegates were fully compiled, while only 50% of "partially motivated" convention delegates were taken into account when calculating the economic spin-offs.

A wide range of people participate in conventions and events held at the CCQ. The IACVB study included calculations of vectors for specific spending by several among them. The main vectors are the estimated daily expenditures of convention delegates (\$330.26), organizers (\$52.09) and exhibitors (\$85.71).

Using information concerning the number of events and expenditures according to the nature and origin of participants, it is possible to calculate the expenditures of convention delegates. Overall, these expenditures are \$49.4 million, including \$37.6 million for "mainly motivated" conventions and \$11.8 million for "partially motivated" conventions.

4.2 Conventions held at hotels and other locations

Every year, Quebec City's hotels host small and medium-sized conventions. The OTQ maintains close links with the city's hotels, making it possible to draw up a list of conventions that are hosted by them. This list was analyzed with the convention coordinators in the hotels in order to identify conventions that may have been held in Quebec City in 2008 because of the 400th anniversary activities. Borrowing an analogy from pleasure tourism, we can speak of "motivated conventions."

4.2.1 Determining motivated conventions

The original OTQ list included 40 conventions that took place in hotels and whose holding may have been influenced a priori (mainly or partially) by the 400th anniversary factor. From among them, Desjardins Marketing Stratégique (DMS) drew a sample of 28 conventions that took place outside the CCQ and contacted the organizers so as to learn the extent to which this factor influenced the decision to hold the convention in Quebec City. Conventions with the largest number of participants were prioritized for the sample.

According to the results of the survey, 21 conventions were held as a result of the 400th anniversary celebrations. The survey was used to establish whether the celebrations influenced, a great deal or in part, the choice of Quebec City as a host location. It should be noted that the conventions selected are non-recurring and that they were neither moved ahead nor delayed so as to be held in 2008 simply to coincide with the 400th anniversary celebrations.

The following table presents the details concerning the relative importance of these conventions.

Interviews with organizers of conventions held outside the CCQ (hotels and other locations)

		Number of conventions	Number of participants	Number of room nights
A	Number of conventions targeted as possibly having been held as a result of Quebec City's 400 th anniversary celebrations	40	10,495	21,609
B	Number of interviews with organizers (among the list of targeted conventions)	28	8,728	18,635
C	Percentage of the whole represented by the sample (B/A)	70%	83.2%	86.2%
D	Number of conventions attributed to Quebec City's 400 th anniversary celebrations	21	6,978	15,376
E	Percentage (D/B)	75%	79.9%	82.5%

Interviews with organizers of conventions held outside the CCQ (hotels and other locations) – detailed table

		Number of conventions		Number of participants		Number of room nights	
A	Number of conventions targeted as possibly having been held as a result of Quebec City's 400 th anniversary celebrations	40		10,495		21,609	
B	Number of interviews of organizers (among the list of targeted conventions)	28		8,728		18,635	
C	Number of conventions attributed to Quebec City's 400 th anniversary celebrations	21		6,978		15,376	
D	Number of conventions attributed to Quebec City's 400 th anniversary celebrations according to degree of influence	Greatly	Partially	Greatly	Partially	Greatly	Partially
		12	9	3,753	3,225	8,979	6,397
E	Percentage of conventions attributed according to degree of influence/conventions identified (D/B)	42.9%	32.1%	43%	37%	48.2%	34.3%

4.2.2 Increased hotel reservations due to motivated conventions

The survey of hotel-based conventions demonstrated that of a potential total of 28,127 room nights on the initial list, 8,979 fell into the mainly motivated category and 6,387 could be termed partially motivated. A last revision of the list by the OTQ served to eliminate six conventions totalling 3,259 room nights due to their belonging to the non-motivated category. By distributing the remaining 9,492 non-surveyed convention-related room nights proportionately based on the results of the survey, a total of 13,554 mainly motivated room nights is obtained, along with 9,653 of the partially motivated variety.

The degree of motivation will come into play later during calculations of the economic impacts since only 50% of expenditures linked to conventions of the partially motivated category will be taken into account.

4.2.3 Convention-delegates' expenditures – hotels

No survey has been conducted to estimate convention-delegate spending in hotels in 2008. We must therefore turn to secondary data as a means of estimating their expenditures. Following an analysis of a number of vectors, a decision was made to use the same expenditures vector for delegates attending hotel-based conventions as the one used by the SCCQ for convention delegates with or without an exhibit hall whose expenditures total \$330.26 per day. This is the only specialized vector available concerning convention-delegate spending. For instance, vectors provided by Statistics Canada concerning business tourism include a significant number of short-term business and commercial travellers in the sample. These travellers have a different expenditures profile from the convention delegates', characterized especially by a lower level of daily expenditures.

As opposed to expenditures pertaining to conventions held at the CCQ, organizers' and exhibitors' expenditures were not taken into account when calculating tourist expenditures of hotel-convention delegates. There is a presumption to the effect that organizers of small and medium-sized conventions do most of their convention-related spending in the organization's home city and not in the host city, thus resulting in a slight under-estimate of expenditures in this regard. Exhibitors, for their part, are few and far between in hotels.

4.2.4 Convention-delegate spending – CCQ and hotel summary

The following table presents the estimated value in millions of dollars of motivated convention-delegate expenditures at the 400th anniversary celebrations.

Motivated convention-delegate expenditures (400th anniversary)

	CCQ	Hotels	Total (\$M)
Especially motivated conventions	37.6	4.5	42.1
Partially motivated conventions	11.8	1.6	13.4
Total	49.4	6.1	55.5

5 Tourism linked to other events

Given their special nature, certain events included in Quebec City's 400th anniversary celebrations were the focus of an independent assessment to ascertain their economic impacts. The list of these events was drawn up by the OTQ and approved by the steering committee. It includes large-scale events such as the Quebec City 2008 International Eucharist Congress. It will be recalled that the survey of participants conducted by Léger Marketing did not include these events or their participants so as to avoid compiling their expenditures twice. There was one exception: the International Ice Hockey Federation tournament, whose participants were included in the sample of the second Léger Marketing survey.

The expenditures of the incoming missions received by Quebec's ministry of international relations (known as the MRI) and those generated by the International Eucharist Congress and the Francophone Summit are among the expenditures included in this section.

5.1 Determining other motivating events

In this regard, 15 specific events had previously been identified as having been held in Quebec City because of the 400th anniversary celebrations, based on a list drawn up by the OTQ. Among the events, one was cancelled. Desjardins Marketing Stratégique and B.E.S.T.E. attempted to reach all the organizers of these target events so as to identify the influence of the 400th anniversary celebrations on the decision to hold a particular event in Quebec City. Fourteen interviews were in fact completed.

Ten of these fourteen organizers attributed the holding of their event mainly to the 400th anniversary celebrations, while one event was partially attributed to the celebrations and three others were not considered as being linked at all. The only event whose organizer was not reached generated 166 room nights and was considered as partially motivated. Lastly, the events selected are non-recurring and were neither moved ahead nor delayed so as to be held in 2008 simply in order to coincide with the 400th anniversary celebrations.

5.2 Calculating room nights and admissible expenditures

The number of room nights generated by other events was obtained either from event organizers or the OTQ. The total comes to 86,860 room nights. According to the survey, 84,203 room nights can be attributed to events held in Quebec City mainly because of the 400th anniversary celebrations, whereas 2,657 room nights were partially motivated by the celebrations. Only 50% of associated expenditures in the latter category have been taken into account.

There was no survey to assess participants' expenditures at these specific events. They were attributed the same expenditures vector as the average expenditures of motivated visitors (of all origins) included in the second Léger Marketing survey, except that their expenditures were calculated on an individual basis and by room night (\$73.50). The tourist expenditures generated by these special events calculated on this basis come to \$6.3 million. The event-organization expenditures must be added to these tourist expenditures, as outlined below.

MRI (Quebec's ministry of international relations)

The MRI receives a number of delegations each and every year. These organizations nevertheless confirm that their activities clearly increased as a result of the 400th anniversary celebrations, thus generating \$1.1 million in additional expenditures in 2008.

Organization of the International Eucharist Congress

The admissible expenditures for the organization of the International Eucharist Congress came to \$13 million, with part of the funding coming from the Société du 400^e (show preceding the mass) and part from the MRI.

2008 Ice Hockey World Championship

The organizational expenditures for this major hockey tournament came to \$9.6 million. The tournament was included in the budget and programming of the Société du 400^e, although processed differently. The event was self-financing, but the revenue from ticket and souvenir sales to outside participants remains unknown, and it is therefore impossible to identify how much new money was injected into the economy due to the organization of this event. A hypothesis was put forward that the fraction was roughly 5% of expenditures, i.e. \$478,000, no doubt a minimum figure.

Francophone Summit

Organizing an international event with the scope of the Francophone Summit represents a colossal undertaking, in this case costing some \$61.8 million, including \$32.8 million for the Quebec City Secretariat and \$27.9 for security. Since it was impossible to obtain an estimate for additional security spending from the RCMP, these expenditures were not included. Costs incurred by the Quebec City Secretariat for looking after the various delegations were also excluded since they had already been taken into account in the SCCQ's convention calculations. The net Summit expenditures included in the calculation of economic spin-offs come to \$25.3 million.

Kiugwe shows

The Huron-Wendat nation highlighted Quebec City's 400th anniversary by presenting a First Nations' program, including a series of 24 shows entitled Kiugwe, funded in part (\$700,000) by the Société du 400^e. The organizational expenditures for these shows came to \$1.3 million, and tourists spent an estimated \$300,000 for a total expenditure of \$1.6 million.

6 Expenditures for infrastructures and bequests

One definition of a bequest is “*something a given generation transmits to the generations that follow.*” A number of bequests were passed on to future generations on the occasion of Quebec City's 400th anniversary celebrations.

The bequests and investments stemming from the event took two forms: symbolic bequests and physical bequests in the shape of infrastructures.

Firstly, symbolic bequests are those passed on by governments or associations in order to affirm a historical, political, social, cultural or emotional link with Quebec City. Here are a few examples:

Donor	Nature of the bequest
City of Bordeaux – France	Mascarons on the city-hall façade
CAA-Quebec City, in conjunction with the CCNQ (national-capital commission)	Work of public art, John-Goudy Lane and Saint-Paul Street
Quebec City Chamber of Commerce	World of public art
United States government, Quebec City consulate general	Stele, panoramic viewpoint on the Samuel-de-Champlain Promenade, de la Jetée Park
The New England states (United States)	Granite stele, panoramic viewpoint on the Samuel-de-Champlain Promenade, de la Jetée Park, homage to Franco-Americans
The state of Vermont (United States)	Granite stele, panoramic viewpoint on the Samuel-de-Champlain Promenade, homage to Samuel de Champlain
Jura – Switzerland	Clock, new entry hall of the Gabrielle-Roy Library (in the project-planning phase, a partnership between Jura and the Quebec City municipal government)
City of Montréal	Work of contemporary art, Place de la gare (train station square), Saint-Paul Street
Namur – Belgium	Wallonia white-stone bench, city hall, west side, Permanent site: Place de Namur (square), intersection of Cartier Street and René-Lévesque Boulevard
City of Paris – France	Lighting for the city's hall western facade
Government of Netherlands, consulate general of the Netherlands	Four benches and ten street lamps (recycled), a work completed on site
Government of Great Britain	Copy of a section of the Quebec Act (1774)
City of Xi'an, China	Two terracotta statues – Soldiers and the development of a public square (to be integrated after 2008) and Confucius
Government of Ontario	Plaque
Government of Armenia	Bust of Komitas, d'Auteuil Street

Source: Quebec City municipal government, International Relations and 400th Anniversary Celebrations Commission

Other bequests, of a less symbolic nature and belonging more to the area of infrastructure, have been completed, with their impetus coming from Quebec City's 400th

anniversary celebrations, and their funding, from various sources. Some of these improvements had already been planned well before the celebrations. Examples include

Bequests and infrastructures linked directly or indirectly²⁴ to Quebec City's 400th anniversary celebrations

Samuel-de-Champlain Promenade

Bassin Brown

Fontaine de Tourny

Pointe-à-Carcy

Beauport Bay

Development of the banks of the Saint-Charles River

Wendake tourist attraction

Espace 400^e

Improvements to the Quebec City airport

Restoration of the de l'Amérique Française Museum

Lastly, it should be noted that certain events and performances, such as the *Moulin à Images* (image mill), broke new ground in the area of visual projection due to the size of the "screen" (30 m x 600 m). The creators' ingenuity and technical acumen in themselves constitute an artistic legacy for future generations. *Le Chemin qui marche* (the walking road) was yet another proof of the capacity of Quebec City's creators to conjure unique and spectacular events.

Now that Quebec City's 400th anniversary festivities have drawn to a close, it can be said with certainty that the bequests and infrastructures stemming from the event have helped strengthen the emotional and cultural ties linking Quebec City and its counterpart municipalities, as well as its ties with other governments. The celebrations have helped boost regional pride and highlight the city's beauty.

6.1 Admissible expenditures – infrastructures and bequests

The term admissible expenditures refers to sums that would not have been spent in the region if the 400th anniversary festivities had not taken place and that were defrayed by money that would not have been spent in the region otherwise.

Gifts and bequests

Most of the spending on bequests took place outside Quebec and therefore had no economic impact on the region. Taking the example of works of art, they were often created in their countries of origin and their installation costs defrayed by local money provided by the Quebec City municipal government.

A contribution to the renovation of the de l'Amérique Française Museum is the main 400th anniversary gift offered by France to Quebec City. The total cost of restoring the museum has reached \$4.2 million, with France contributing \$2 million, less \$300,000 to

²⁴ Some of these had already been planned before 2008, but some of them may have benefited from the "400th impetus effect" for their completion.

pay the fees of the French architects responsible for its design. The remainder of the funding came from the Quebec provincial government. In this way, \$3.9 million in new money was injected into the economy of the Quebec City CMA.

Infrastructures

Among the aforementioned infrastructures completed as part of the 400th anniversary festivities, expenditures for the renovation of the Quebec City airport and for the redevelopment of the Saint-Charles River were not taken into account when calculating the economic impact. In fact, both cases are instead considered as investments moved ahead for the 400th anniversary that would very likely have been made in the near future in any case. Calculations concerning expenditures for the rest are presented below.

Espace 400^e

For the creation of Espace 400^e and adjoining exhibits, the federal government, by way of the Department of Canadian Heritage and Parks Canada, spent \$24 million. On the other hand, certain expenditures have been deducted from this total since they were not funded by new money; project management carried out by regular employees is one example in this regard. The admissible total thus obtained is \$18.2 million. These essentially represent investment expenditures, with operational spending being included in the expenditures of the Société du 400^e.

Bassin Brown, Pointe-à-Carcy and Beauport Bay

The Government of Canada offered the people of Quebec City a 400th anniversary gift of \$46.3 million in investments for the development of Bassin Brown (\$7.1 million), Pointe-à-Carcy ((\$18.4 million) and Beauport Bay (\$18.2 million) respectively. As in the case of Espace 400^e, the salaries and benefits paid to regular workers must be deducted from this sum, along with the overhead costs of the Port of Quebec City, the executing agency of the federal government. The admissible expenditures for these infrastructures therefore amount to a grand total of \$43.1 million.

Samuel-de-Champlain Promenade

The Commission de la capitale nationale du Québec (the Quebec national-capital commission) presented a detailed budget outlining infrastructure spending related to Quebec City's 400th anniversary celebrations. In addition to the Samuel-de-Champlain Promenade project, whose costs reached \$68.7 million, other projects have been taken into account, for instance installing the de Tourny Fountain (\$2.1 million), and illuminating Montmorency Falls Cove and the Notre-Dame des Victoires Church (\$1.2 million). Only direct infrastructure expenditures were considered, excluding contributions by the Quebec City municipal government; this raises the estimated admissible investment to \$62.5 million.

Total admissible expenditures in gifts, bequests and infrastructures

De l'Amérique Française Museum	\$3.9M
Espace 400 ^e	\$18.2M
Bassin Brown, Pointe-à-Carcy and Beauport Bay	\$43.1M
Samuel-de-Champlain Promenade	<u>\$62.5M</u>
Total	\$127.7M

7 Organizational expenditures for the 400th anniversary celebrations

Most of the organizational expenditures for the 400th anniversary were funded by the Quebec and Canadian governments (\$80 million) based on a budget specifically set aside for this event, thus making these expenditures admissible when calculating the economic impact. The private sector contributed over \$5 million to support programming for the event.

Budget of the Société des Fêtes du 400^e (400th anniversary-celebrations corporation)

CATEGORY OF EXPENDITURES BY ADMINISTRATION (x 1,000)	Real 2005 - 2006	Real 2006- 2007	Real 2007 - 2008	Budget 2008 - 2009	TOTAL
400 th anniversary productions	265	1,226	6,041	29,258	\$36,790
Espace 400 ^e	272	1,587	4,094	12,537	\$18,490
Related programming	115	1,954	7,700	12,319	\$22,088
Communication - Marketing	830	2,285	6,716	7,494	\$17,325
Administration	1,029	1,521	2,401	2,206	\$7,157
Contingencies				1,850	\$1,850
Total expenditures	2,511	8,573	26,952	65,664	\$103,700

Source: Société des Fêtes du 400^e, estimated data as of September 24, 2008.

In order for these expenditures to be admissible when calculating the economic impact, certain cuts were made to the budget: the equivalent of the contribution made by the municipal government (\$5 million); essentially local revenues from ticket sales, marketing and rent (\$2.3 million); \$400,000 for loans of personnel; and the direct contribution of \$10.6 million for certain events included in the "other events" category (the Ice Hockey World Championship, the International Eucharist Congress, and Kiugwe).

The organizational expenditures admissible when calculating economic spin-offs were therefore estimated at \$85 million.

8 Consolidated impact of the 400th anniversary celebrations

8.1 Impact on the tourism product and experience for Quebec City

8.1.1 Quebec City's 400th anniversary celebrations in the media

In order to carry out a qualitative assessment of press coverage of Quebec City's 400th anniversary celebrations, the Société du 400^e (400th anniversary corporation) collected certain press clippings from both print media and the electronic press. The compilation was done internally, using press clippings from various sources as well as those gleaned from on-line research. As such, this compilation is not in itself exhaustive, but does provide a sampling of the total coverage.

The following are especially worthy of mention:

Examples of Canadian and American media having talked about Quebec City's 400th anniversary celebrations

Boston Globe	Boston, Massachusetts, United States
The New York Times	New York, United States
Chicago Tribune	Chicago, Illinois
The Western Star	Corner Brook, Newfoundland
USA Today	The entire United States, based in McLean, Virginia
North Bay Nugget	North Bay, Ontario
Ottawa Citizen	Ottawa, Ontario
Peterborough Examiner	Peterborough, Ontario
The Star	Phoenix, Arizona
The Thunder Bay Chronicle	Thunder Bay, Ontario
National Post	Toronto, Ontario
The Globe and Mail	Toronto, Ontario
The Vancouver Sun	Vancouver, British Columbia
Time Colonist	Victoria, British Columbia
The Whitehorse Star	Whitehorse, Yukon
Winnipeg Free Press	Winnipeg, Manitoba

In addition, certain articles referring directly or indirectly to the 400th anniversary celebrations were collected by the Société du 400^e. These references appeared elsewhere in the world and came from magazines, newspapers, Web sites, blogs, and tourist magazines, or were passed on by press agencies.

In the last several years, approximately 500 journalists have come to the region on an annual basis, but in 2008 the number increased substantially, with over 700 reporters on

hand to provide regional coverage. In a preliminary thumbnail analysis of the media spin-offs, the OTQ established that the value of such spin-offs was in the neighbourhood of \$12 million for articles and broadcasts known to have been produced by these journalists, a figure that compares advantageously to the approximate average annual value of \$7 million for other years.

Some examples, selected at random, appear below.

Examples of international print media (and on-line sources) having talked about Quebec City's 400 th anniversary celebrations	
Germany	Stuttgarter Zeitung
Germany	Rheinische Post
Germany	Der Tagesspiegel
England	The Daily Telegraph
England	The Sunday Mirror
England	World Travel Guide
Australia	The Sydney Morning Herald
Belgium	La Dernière Heure
Belgium	Le Soir
Chile	El Mercurio
China	China Daily
China	China View
Spain	El Diario Vasco
United States	The New York Times
France	Agence France Presse
France	Ouest France
France	Pèlerin
France	Le Figaro
France	Sud Ouest
France	Le Monde
France	France Info
India	Reuters (India)
Israel	World Jewish Digest
Israel	Jerusalem Post
Italy	Condé Nast Traveler
Italy	La Nazione
Morocco	Aujourd'hui Le Maroc
Mexico	Impacto
Switzerland	20 minutes.ch
Switzerland	TSRinfo.ch
Vietnam	Le Courrier du Vietnam

Moreover, in 2008, certain journalists and television teams were received by the OTQ, including the following:

Broadcast/subject	Estimated audience	Broadcast/subject	Estimated audience
Are We There Yet	2.567M	UK Daily Express	790,000
CBS News, The Early Show (segments)	3.5M	Canadian Living (on-line)	900,000 visitors/month
Better Homes and Gardens	7.6M	TF1, news reports	Between 3M and 4M
France 5, Fourchette et sac à dos	Between 1.5M and 5M	Phi Effects Productions (Mexico) – Québec a la carte, for channel 22	15M
Nine Network, weather segments (Australia)	1,000,000		

8.1.2 Satisfaction with the events of the 400th anniversary celebrations

From January to March 2008, Léger Marketing surveyed local participants in the 400th anniversary activities. The overall grade given for these three months is 5.4 on a scale of 10; however as the celebrations progressed, i.e. from April to October, the overall satisfaction level of local participants increased to 7.2, reaching a peak of 7.6 in July.²⁵

At the conclusion of the celebrations, Léger Marketing measured the satisfaction of the region's residents with respect to the entire event. The survey conducted between November 12 and November 16, 2008 among 300 adult citizens of the Quebec City region (census metropolitan area)²⁶ demonstrated that there was a high degree of satisfaction with Quebec City's 400th anniversary celebrations taken as a whole.

In fact, the respondents surveyed gave the festivities a grade of 8.5 on a scale of 10. Fully half of all respondents gave a grade of 9 out of 10, and 40% gave a grade of 7 or 8. Lastly, 5% gave a grade of 5 or 6, with 2% giving a rating of 0 to 4 out of 10.

These results reflect a high level of satisfaction and possibly an increased level of pride on the part of Quebec City residents.

8.1.3 A tourism success

The 2008 tourist year was clearly a memorable one. An entire collection of indicators demonstrates how successful the 400th anniversary was on all fronts. The Léger

²⁵ Monthly omnibus survey, Léger Marketing.

²⁶ Omnibus survey (300 participants), Quebec City CMA. Maximum margin of error for overall results: 5.7%, 95 times out of 100. Results reproduced with the permission of the Bureau de la Capitale-Nationale (national-capital office, or BCN). The question was phrased as follows: "All things considered, when you look at the festivities of Quebec City's 400th anniversary taken as a whole, what is your level of satisfaction on a scale of 0 to 10? A grade of 0 means that you have not been at all satisfied with the festivities and 10 indicates that you have been very satisfied. You can use the grades 1 to 9 in order to qualify your appraisal."

Marketing study²⁷ reports very positive results: *"This study shows, from many different angles, the resounding success of Quebec City's 400th anniversary celebrations."* Moreover, the event proved to be an unexpected tourist hit in a year that was difficult everywhere else in Canada and it gave a new look to the tourist product offered by Quebec City. Moreover, over 90% of the city's residents participated in the 400th anniversary celebrations.

A compilation carried out by the OTQ²⁸ revealed a number of interesting results and broken records, including the following:

- a 4.9% increase in the occupancy rate (compared to 2007) and a 9.1% increase in the number of rooms occupied on a daily basis;
- the largest number of rooms ever rented for a given year (an increase of 9.5% in the number of rooms rented);
- the largest number of conventions and events ever compiled for a given year (close to 544 conventions and events, an increase of 44.3% over 2007);
- the greatest volume of demand for tourist information since 2002 (over the counter, by telephone, by regular mail and on line), an increase of 21.2% over 2007;
- the highest tourist-activity index ever obtained for a given year, an increase of 5.7% compared to 2007;
- the highest commercial-activity index ever obtained for a given year in the stores of Old Quebec City, an increase of 11.3% over 2007;
- the highest restaurant-activity index ever obtained for a given year, an increase of 1.6% over 2007.

This same compilation indicates that visits to tourist attractions requiring paid admission suffered due to the rigours of winter and to the numerous activities offered as part of the 400th anniversary celebrations.

Thanks to the success of the celebrations, Quebec City has been able to better position itself on the international market and thus raise its tourist profile, in part due to the efforts of the OTQ and the regional tourist industry in general. Moreover, it can be said that Quebec City's 400th anniversary celebrations helped give a fresh new face to the destination (in spite of the fact that 2008 was a difficult year for tourism in the rest of Canada), making the city even more attractive for potential visitors.

²⁷ "Study of tourist expenditures and participation during Quebec City's 400th anniversary celebrations," Final report. Léger Marketing. January 2009, p. 63.

²⁸ Office du tourisme de Québec (Quebec City tourist bureau, or OTQ). "Report concerning the 2008 tourist season in the context of Quebec City's 400th anniversary activities as of December 31, 2008."

8.2 Economic impact of Quebec City's 400th anniversary celebrations

The methods for calculating admissible expenditures in order to estimate the economic impacts of tourist and infrastructure spending, as well as of organizational spending on the part of the Société du 400^e (400th anniversary corporation) have been presented in the previous chapters. These expenditures have served as inputs for a number of simulations using the input-output model of the Institut de la statistique du Québec (Quebec institute of statistics, or ISQ). The main results of these simulations are outlined in the sections that follow.

8.2.1 Economic impact of “mainly motivated” visitors

The table below demonstrates the impact on production and fiscal variables of tourist spending by the entire category of visitors coming to Quebec City mainly because of the 400th anniversary festivities.

Impact of tourist expenditures – “mainly motivated” visitors

Production variables	Tourist expenditures	Jobs	Added value	GDP
	\$M	person/years	\$M	
Visitors	202.7	2,873	128.3	148.4
CCQ – mainly motivated	37.6	568	24.5	28.9
Hotels – mainly motivated	4.5	67	2.9	3.5
Other events	7.9	114	5.2	6.2
Organization of other events	40.3	552	32.6	31.2
Total	293	4,174	193.3	218.2

Fiscal variables	Income and other taxes Québec provincial government	Income and other taxes Canadian federal government	Incidental taxation Québec provincial government*	Incidental taxation Canadian federal government**
	\$M			
Visitors	20.8	9.6	10.7	2.2
CCQ – mainly motivated	3.7	1.9	2.1	.4
Hotels – mainly motivated	.5	.2	.2	.1
Other events	2	1	.4	.1
Organization of other events	2.3	.1	3.5	.7
Total	29.3	12.8	16.9	3.5

*Québec provincial incidental taxation = contributions to the CSST (Québec workplace health and safety commission), the FSS (health services fund), the QPIP (Québec Parental Insurance Plan), and the QPP (Québec Pension Plan)

**Canadian federal incidental taxation = contributions to employment insurance

In 2008, this tourist spending of \$293 million in new money served to create some 4,174 full-time equivalent jobs. The economic impact in the province of Québec was \$193.3 million as measured by the added value, including \$179.3 million in the Quebec City CMA. The total contribution to the GDP,²⁹ i.e. the overall collective enrichment, was \$218.2 million.

On the fiscal level and the level of incidental taxation, the Québec provincial government garnered \$46.2 million, including \$29.3 million in income and other taxes and \$16.9 million in contributions to certain Québec social programs. The federal government collected \$16.3 million in revenue including \$3.5 million in employment-insurance contributions.

It is important to note that the initial investment of \$85 million in public funds generated 2.3 times more added-value revenue for the region (\$193.3 million/\$85 million). If income and other taxes collected by various governments are taken into account, this ratio climbs to 4.5 (\$193.3 million/(\$85-42) million), i.e. \$4.50 per dollar invested in the 400th anniversary celebrations.

8.2.2 Economic impact of “partially motivated” visitors

The table below demonstrates the impact on production and fiscal variables of tourist spending by visitors whose coming to Quebec City was partially motivated by the 400th anniversary celebrations. It should be recalled that the expenditures included in the table correspond to 50% of the total expenditures of these visitors who came in part for Quebec City's 400th anniversary festivities.

Impact of tourist spending: “partially motivated” visitors

Production variables	Tourist spending	Jobs	Added value	GDP
	\$M	person-years	\$M	
Visitors	125.3	1,849	83.4	94.4
CCQ – partially motivated	11.8	192	8.3	9.6
Hotels – partially motivated	1.6	24	1	1.2
Other events (1)	n/a	n/a	n/a	n/a
Total	138.7	2,065	92.7	105.2

²⁹ The GDP is obtained by adding indirect taxes and other net productions (i.e. excluding grants and subsidies) to the added value.

Fiscal variables	Income and other taxes Québec provincial government	Income and other taxes Canadian federal government	Incidental taxation Québec provincial government*	Incidental taxation Canadian federal government**
	\$M			
Visitors	12.4	5.2	0	0
CCQ – partially motivated	1.1	.6	6.9	1.4
Hotels – partially motivated	.2	.1	.1	0
Other events	s/o	s/o	s/o	s/o
Total	13.7	5.9	7	1.4

*Québec provincial incidental taxation = contributions to the CSST (Québec workplace health and safety commission), the FSS (health services fund), the QPIP (Québec Parental Insurance Plan), and the QPP (Québec Pension Plan)

**Canadian federal incidental taxation = contributions to employment insurance

(1) negligible and compiled in the "mainly motivated" category

This \$138.7 million in tourist spending served to create or maintain some 2,065 full-time equivalent jobs in 2008. The economic impact for the province of Québec was \$92.7 million as measured by the added value, including \$79.9 million in the Quebec City CMA. The total contribution to the GDP was \$105.2 million.

On the fiscal level and the level of incidental taxation, the Québec provincial government garnered \$20.7 million, including \$13.7 million in income and other taxes and \$7 million in contributions to the province's social programs. The federal government collected \$7.3 million in revenue, including \$1.4 million in employment-insurance contributions.

8.2.3 Economic impact of infrastructures and bequests

The table below demonstrates the impact on production and fiscal variables of infrastructure expenditures related to the 400th anniversary celebrations.

Impact of infrastructure and bequest expenditures

Production variables	Expenditures	Jobs	Added value	GDP
	\$M	person-years	\$M	
Total	127.7	1,127	88.7	89.9

Fiscal variables	Income and other taxes Québec provincial government	Income and other taxes Canadian federal government	Incidental taxation Québec provincial government*	Incidental taxation Canadian federal government**
	\$M			
Total	5.1	1.3	8.8	1.3

*Québec provincial incidental taxation = contributions to the CSST (Québec workplace health and safety commission), the FSS (health services fund), the QPIP (Québec Parental Insurance Plan), and the QPP (Québec Pension Plan)

**Canadian federal incidental taxation = contributions to employment insurance

These investment expenditures of \$127.7 million served to create or maintain some 1,127 full-time equivalent jobs, especially in 2006 and 2007. The economic impact for the province of Québec was \$88.7 million as measured by the added value, essentially in the Quebec City CMA. The total contribution to the GDP was \$89.9 million.

On the fiscal level and the level of incidental taxation, the Québec provincial government garnered \$13.9 million, including \$5.1 million in income and other taxes and \$8.8 million in contributions to the province's social programs. The federal government collected \$2.6 million in revenue, including \$1.3 million in employment-insurance contributions.

8.2.4 Economic impact of the 400th anniversary organizational expenditures

The table below demonstrates the impact on production and fiscal variables of the admissible expenditures attributed to the Société du 400^e (400th anniversary corporation).

Impact of Société du 400^e expenditures

Production variables	Expenditures	Jobs	Added value	GDP
	\$M	person-years	\$M	
Total	85	1,375	63.5	62.6

Fiscal variables	Income and other taxes Québec provincial government	Income and other taxes Canadian federal government	Incidental taxation Québec provincial government*	Incidental taxation Canadian federal government**
	\$M			
Total	5.7	.3	5.5	1.1

*Québec provincial incidental taxation = contributions to the CSST (Québec workplace health and safety commission), the FSS (health services fund), the QPIP (Québec Parental Insurance Plan), and the QPP (Québec Pension Plan)

**Canadian federal incidental taxation = contributions to employment insurance

The operating expenditures of \$85 million³⁰ served to create or maintain some 1,375 full-time equivalent jobs, especially in 2007 (25%) and 2008 (63%). The economic impact for the province of Québec was \$63.5 million as measured by the added value, essentially in the Québec City CMA. The total contribution to the GDP was \$62.6 million.

On the fiscal level and the level of incidental taxation, the Québec provincial government garnered \$11.2 million, including \$5.7 million in income and other taxes and \$5.5 million in contributions to the province's social programs. The federal government collected \$1.4 million in revenue, including \$1.1 million in employment-insurance contributions.

³⁰ Part of the operating budget of the Société du 400^e was allocated to special events.

8.2.5 Consolidated impact and impacts over time

The table below provides a synopsis of the economic spin-offs of expenditures in new money for the organization and holding of Quebec City's 400th anniversary festivities and the infrastructures and gifts generated by the event itself.

Economic impact on production variables (\$M)				
Production variables	Expenditures*	Jobs	Added value	GDP
Development and infrastructure	127.7	1,127	88.7	89.9
Société du 400 ^e	85	1,375	63.5	62.6
Tourist expenditures – “mainly motivated” visitors*	293	4,174	193.4	218.1
Sub-total	505.7	6,676	345.6	370.6
Tourist expenditures – “partially motivated” visitors**	138.7	2,065	92.7	105.2
Total	644.4	8,741	438.3	475.8
*Excluding certain expenditures not funded by new money				
**50% of expenditures taken into account				

The economic impact of Quebec City's 400th anniversary celebrations therefore amounts to \$438.3 million, including \$345.6 million coming from visitors who travelled to Quebec City primarily to attend the festivities. Concerning the labour market, expenditures linked to the 400th anniversary served to maintain or create some 8,741 full-time equivalent jobs, including 6,676 positions strictly linked to the event itself.

There have been considerable fiscal spin-offs for various levels of government, including \$53.8 million in income and other taxes for the Quebec provincial government and \$20.3 million for the federal government, as illustrated in the summary table below. For the provincial government, the contribution as regards incidental taxation is \$38.2 million, along with \$7.3 million of incidental tax revenue garnered by its federal counterpart.

Overall economic impact on fiscal variables (\$M)

Fiscal variables	Income and other taxes Québec provincial government	Income and other taxes Canadian federal government	Incidental taxation Québec provincial government	Incidental taxation Canadian federal government
Development and infrastructure	5.1	1.3	8.8	1.3
Société du 400 ^e	5.7	.3	5.5	1.1
Tourist expenditures – “mainly motivated” visitors	29.3	12.8	16.9	3.5
Sub-total	40.1	14.4	31.2	5.9
Tourist expenditures – “partially motivated” tourists	13.7	5.9	7	1.4
Total	53.8	20.3	38.2	7.3

The table below demonstrates the approximate impacts over time.

Consolidated impacts over time

	2005	2006	2007	2008	Total
Jobs (person-years)	41	527	913	7,260	8,742
Added value (\$M)	1.9	38.6	59.9	337.9	438.4

Expenditures by various levels of government in the amount of \$214.9 million served to create or maintain some 8,741 consolidated jobs and generated \$438.3 million in economic spin-offs, including \$337.9 million in 2008. The vast majority of the impacts measured in this study (94%) were felt in the Quebec City CMA.

The hotel industry is a sector that has especially benefited from these economic spin-offs. The table below demonstrates the number of room nights in commercial establishments generated by the 400th anniversary festivities.

Room nights in commercial accommodations due to the 400th anniversary celebrations

	"Especially motivated" visitors	"Partially motivated" visitors*	TOTAL
Tourists (excluding convention delegates)	989,998	915,691	1,905,689
Centre des congrès de Québec (Quebec City convention centre, or CCQ)	92,469	29,919	122,388
Conventions (hotels and other locations)	13,554	4,827	18,381
Other events	84,203	1,329	85,532
	1,180,224	951,766	2,131,990
*50% of room nights are taken into account for these tourists			

Of the estimated total of 2.1 million room nights, 1.2 million would most probably not have been generated in 2008 had the 400th anniversary celebrations not taken place.

The table below presents the main sectors affected (over 5%) by the increase in tourist demand.

Main sectors affected by tourist expenditures

	Jobs	AV (\$M)
Accommodation services	1,688	71.3
Restaurant services and beverage sales	1,323	32.5
Performing arts and leisure activities	817	31.2
Retail and wholesale business	653	27
Urban transit and taxi services	346	18.8

The accommodations sector leads the way, followed by the restaurant sector. The performing arts and leisure sectors come next, having done very well indeed, followed by the retail and wholesale business sectors. Lastly, the urban-transit and tax-service sectors have also benefited from an increase of over 5% in added value.

